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Article for *Minnesota Fire Chief*

Relief Association Working Group Legislative Proposals

By Rebecca Otto, State Auditor

This fall, the Office of the State Auditor (OSA) convened the Volunteer Fire Relief Association Working Group for the tenth consecutive year. The Working Group brings relief association stakeholders together to discuss relief association issues, facilitate communication, develop relationships, and work toward making the pension process easier and more effective by recommending legislative changes.

Working Group Membership

Members of the twelve-member group include relief association trustees from both the Metro Area and Greater Minnesota representing each plan type, municipal representatives, and the fire service organizations. The Group is chaired by State Auditor Otto. Staff from the Legislative Commission on Pensions and Retirement attend to serve as a resource to the Working Group.

This year's membership includes: Steve Donney, Mayor, City of Harmony; Luke Fischer, Administrative Services Director, City of Plymouth; Bruce Hemstad, Secretary, Bemidji Fire Relief Association; Dave Jaeger, Vice President, Mahnomen Fire Relief Association; Ron Johnson, Treasurer, Maple Grove Fire Relief Association (representing the Minnesota State Fire Department Association); Aaron Johnston, Treasurer, Coon Rapids Fire Relief Association; Philip Jones, Trustee, Eden Prairie Fire Relief Association; Michael Kruse, Treasurer, Falcon Heights Fire Relief Association; Nealon Thompson, Chief, Apple Valley Fire Relief Association (representing the Minnesota State Fire Chiefs Association); and Kevin Wall, President, Lower Saint Croix Valley Fire Relief Association.

Proposed Legislative Changes

As of the writing of this article, the Working Group is still deciding on its legislative initiatives for the 2017 legislative session. There are, however, three important topics

carried forward from last year's Working Group Bill (which was vetoed as part of the Omnibus Bill) that the Working Group plans to pursue and that we want to bring to your attention.

Prohibition on Receipt of Concurrent Service Credit

The Working Group plans to seek a clarification of the relief association statutes to prohibit the concurrent accrual of service credit in the Public Employees Retirement Association (PERA) and in a volunteer fire relief association *for the same hours of service*. This change would prohibit true "double-dipping," where a firefighter receives credit in both PERA and a relief association for the exact same hours of service. PERA statutes already prohibit double-dipping. The Working Group proposal would add clarity to the relief association statutes to clearly prohibit it, too.

This proposal would **not** affect firefighters who receive PERA pension coverage for their full-time service and who also respond during their non-scheduled, non-mandatory time as volunteer firefighters and receive pension credit with a relief association for their volunteer service. Municipalities will have the ability to define the job duties and minimum requirements of their full-time and volunteer firefighters to meet the needs of their communities.

Annual Certification of Active Service Credit

Another proposal that the Working Group is pursuing is a requirement that the fire chief annually certify service credit of each volunteer firefighter rendering active service credit with the fire department. The certification would be required by March 31 and would be made to an officer of the relief association's board of trustees and to the municipal clerk of the affiliated municipality. The proposal includes an appeal process if a firefighter disagrees with the certified credit amount.

Administratively, relief associations need the service credit information when determining eligibility for pension credit. This change would help ensure that relief association trustees have the information they need to effectively manage their funds. The annual certification requirement will also help to resolve disagreements about service credit in a timely manner, before the firefighter applies for a retirement distribution.

Optional Expansion of Relief Association Membership to EMS Personnel

This proposal would allow, subject to local approval, volunteer emergency medical personnel to become members of a relief association and to be eligible for service pensions from the relief association on the same basis as volunteer firefighters. In order for this membership expansion to take place, a relief association would have to amend its bylaws to authorize the change and the municipality would have to approve of the change.

There currently is a gap in pension coverage for individuals who are solely providing emergency medical services on a volunteer basis. This change is seen as an important tool by some to help recruit and retain individuals who are solely providing medical services for volunteer fire departments. If this provision were to pass into law and if a local community decided to expand its relief association membership to include volunteer emergency medical personnel, any additional costs would be funded by the municipality. The proposal allows for local control based on the needs of the community.

Moving Ahead

The OSA will keep you updated about the Working Group's activities and any future law changes through our weekly E-Update, our monthly Pension Newsletter, and regular articles in the Fire Chief. The Working Group meetings are open to the public, and anyone is welcome to attend. Copies of Working Group meeting minutes and materials can be found on the OSA's website at www.auditor.state.mn.us. On the homepage select "Fire Relief Association Working Group" under the "Meeting Notices and Materials" heading.

The Working Group members have spent a number of meetings discussing these topics and want to avoid any unintended consequences. If you have feedback regarding the proposals, please contact Rose Hennessy Allen with the OSA's Pension Division at (651) 296-5985 or at rose.hennessy-allen@osa.state.mn.us.